

# Overcoming the economic challenge: How resilient is Liverpool?



Keep  
Liverpool  
Working

Over the past year, communities across the UK have felt the impact of the economic recession. The downturn has affected people working in every sector of the economy and resulted in higher unemployment and increased worklessness.

Reed in Partnership has been working in Liverpool and Sefton for over nine years. In that time we have not only helped 22,000 people move from benefits into employment, but have witnessed the transformation of the city. Liverpool has found a renewed sense of confidence with the redevelopment of large parts of the city centre and docks, the new business and science parks and the resulting increase in employment as more companies move into the city.

In this report we look at the impact the recession is having on Liverpool, the resilience of the local economy and the additional steps that can be taken to help the city emerge from the recession without substantial increases in unemployment.

Reed in Partnership is really proud to be involved in helping tackle some of the economic and social issues faced by people in Liverpool. We have considerable experience of working with long-term unemployed people and helping to break down some of the most difficult and persistent barriers to work. Through our work in Merseyside, we've helped hundreds of local employers find motivated employees.

The findings in the report are based on research with local businesses, the views of our employer services team and the opinions of our Personal Advisers who work with the unemployed to help them move into sustainable work. We hope that the report will help to start a debate – not just about where Liverpool is today but where we all want the city to be in the future.

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Welcome	2
Executive summary	4
Introduction	6
Chapter 1 Liverpool's progress	8
Chapter 2 Resilience and future steps	12
Chapter 3 Views from the city	18
Summary Recommendations	24
Appendix A Research methodology	26
Bibliography	27
About Keep Britain Working	30
About Reed in Partnership	31



# Executive summary

1. The regeneration of Liverpool is one of the real urban success stories of the past decade. Over the past fifteen years, the physical regeneration of the city has been gathering pace, with new jobs being created and greater optimism about the future.
2. With the success of the City of Culture, the next stage in Liverpool's growth was focused on bringing new skilled jobs into the local economy, increasing the skills base and tackling the entrenched pockets of worklessness in some communities.
3. This report looks at the impact the recession is having on Liverpool, the resilience of the city's new economic foundations and what further policy steps need to be taken in order to stop unemployment and worklessness from increasing. It is not intended to be an exhaustive report and does not seek to provide all of the answers about the future policy steps that should be taken. However, it is hoped that the findings can contribute to the debate about the next stages of Liverpool's development.

## Research project

4. In developing our report we undertook desk research looking at the national evidence base plus the work being undertaken in Liverpool and Merseyside by local authorities and strategic bodies. We also drew on evidence from the Office of National Statistics to underpin our understanding of Liverpool's economy.
5. In addition, the research includes a short survey of local businesses and the opinions of the Personal Advisers working on our contracts supporting the long-term unemployed into work. The survey provided an opportunity to obtain first-hand views on

the impact the recession is having on business and the unemployed.

## Economic progress

6. The global financial crisis and recession have had an impact on cities both in the UK and internationally. Here in Liverpool we have felt the repercussions of the crisis with rising unemployment, developments put on hold and businesses closing their doors.
7. The level of unemployment in Liverpool reached a peak in 1986 when over 25% of people were unemployed – the unemployment rate was still over 15% in 1991. Liverpool has undergone an urban renaissance since the early 1990s, with new public infrastructure and major economic restructuring. These changes have had a real impact on the levels of economic activity within the city. Employment has increased by 12% since 1998 and before the current downturn, over 24,000 new jobs had been created.
8. One of the real structural problems affecting the future growth of the economy is the lack of skill levels in Liverpool. For instance, 19.5% of people in Liverpool have no qualifications compared with a regional figure of 14.7% and the national average of 12.4%.

## Economic resilience

9. There had been some initial optimism that Liverpool would be partially insulated against the economic downturn. However, worries began to grow in late 2008 as the number of people claiming Job Seeker's Allowance (JSA) rapidly increased. For instance, unemployment

went up by 1.3% in just four months between October 2008 and February 2009.

10. Back in July 1992, at the peak of the last recession, there were 40,000 people in Liverpool on unemployment benefits, representing 14.1% of working-age people compared with a national average of 7.8%. Today, the latest figures for July 2009 show that there are 21,536 unemployed people (7.6%) compared with a national average of 4.1%.
11. One of the positive indicators for Liverpool, given its experience in previous recessions, is that the reduction in the number of vacancies has been broadly consistent with the decline seen in the North West and the rest of the UK.
14. The lesson for policy-makers both in Liverpool and nationally is the need for concerted action and continued support for the long-term unemployed. We need to ensure that these jobseekers continue to receive the support they need - whether in skills provision, confidence building or retraining, so that when the economy does improve, this cohort of people are in a good position from which to move into work.
15. For business it is clear that there is a need for a more consolidated approach to help them move forward at the current time and prepare for the eventual improvement in economic conditions.
16. A full set of recommendations are included on pages 24–25.

### Views from the city

12. The views of local businesses and Personal Advisers largely confirmed the conclusions reached from the desk research regarding the impact that the recession is having on Liverpool. The findings from both the surveys show that the recession is hitting sectors such as retail and manufacturing particularly hard, and that the decrease in vacancies is driving up competition for jobs and having a negative impact on the confidence of people trying to find suitable work.
13. With increasing levels of unemployment in Liverpool it is inevitable that there will be an increase in the number of long-term unemployed. One of the real issues amongst our Personal Advisers was the importance of focusing on the long-term unemployed even during a period of economic downturn.



The regeneration of Liverpool is one of the real urban success stories of the past decade. The city has seen concerted action to reverse the economic and social indicators that have been moving in the wrong directions for decades.

In the post-war period Liverpool has seen tremendous changes. As Chris Couch in *City of Change and Challenge* says: 'Over the last forty years Liverpool has undergone more economic restructuring and urban change than virtually any other city in Britain or Europe.' For many people, the past fifteen years has seen real positive change as the city moved forward with a new sense of pride and optimism.

The Liverpool City of Culture marked the next stage in Liverpool's transformation. The physical regeneration of the city has been gathering pace, new jobs have been created and the city has been catching up with its main urban competitors. The next stage in Liverpool's growth, prior to the recession, was very much focused on bringing new skilled jobs into the local economy, increasing the skills base and tackling the entrenched pockets of worklessness that still exist in some communities. The clear aim was for Liverpool not just to catch up but to overtake the other UK core cities.

The credit crunch and the global recession have had an impact on communities across the UK. In previous recessions Liverpool and the Merseyside area were particularly hard hit through the loss of jobs and business closures. Many local residents still remember the time when unemployment was at over 25% and people marched for jobs. This recession will be a key test of how strong the new economic foundations are in Liverpool and what further steps need to be taken to create a more prosperous city.

This report looks at the economic progress that has been made in Liverpool through an analysis of current data, the views of local businesses and our

own Personal Advisers working with the long-term unemployed. These sources are used to address the key question of how resilient Liverpool's economy is at the current time.

## Key Research areas

There has been a lot of work focusing on the impact of the recession on the UK and our major cities. This includes regular data from the Department for Work and Pensions and Jobcentre Plus, research updates from organisations such as the British Chamber of Commerce, the Federation of Small Businesses and the Confederation of British Industry, and reports from organisations such as the Centre for Cities, the Local Government Association and the Work Foundation.

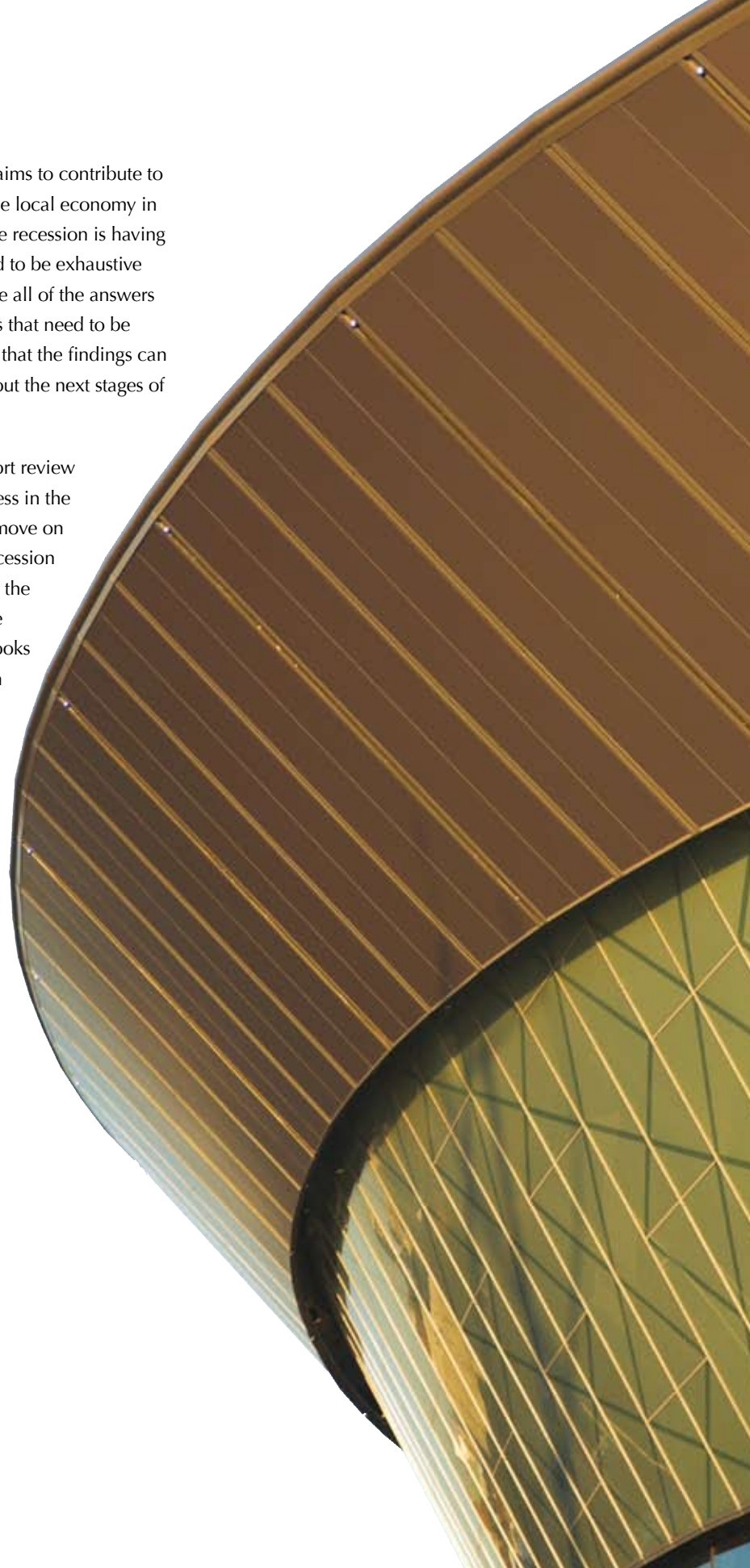
In developing our report we have undertaken desk research looking at the national evidence base plus the work being undertaken in Liverpool and Merseyside by the local authorities and strategic bodies such as The Mersey Partnership, which is the sub-regional agency for economic development. We also draw on evidence from Nomis and the Office of National Statistics to underpin our understanding of Liverpool's economy.

In addition to the literature review we have also undertaken research with local companies to get their views on the current downturn, the impact it is having on their business plus their views on the wider impact of the downturn across the city. As one of the largest welfare-to-work providers in Liverpool we have involved our Personal Advisers in giving their opinions on the impact the recession is having on the long-term unemployed through a formal questionnaire and follow-up interviews. These front-line professionals work with the long-term unemployed on a daily basis and are experienced in helping the customer group move into work.

This small research project aims to contribute to the debate that surrounds the local economy in Liverpool and the impact the recession is having on the city. It is not intended to be exhaustive and does not seek to provide all of the answers about the future policy steps that need to be taken. However, it is hoped that the findings can contribute to the debate about the next stages of Liverpool's development.

The report begins with a short review looking at Liverpool's progress in the past fifteen years. We then move on to discuss the impact the recession is having on the city both in the short and medium term. The latter section of the report looks at the views of businesses in the city and the experience of Reed in Partnership's Personal Advisers.

The report concludes with policy recommendations for what more needs to be done to help businesses and the unemployed emerge from the current downturn in a strong position to move forwards.



## Liverpool's progress

The past fifteen years has seen a near transformation in the fortunes of Liverpool and its people. The progress of the city can be seen across the social and economic indicators, with levels of unemployment falling, more new business start-ups, and more high-skilled jobs. Importantly, the gains seen in Liverpool have outstripped the performance of the North West region and the UK.

As well as all the progress Liverpool has seen in regards to the economic and social indicators, the city also benefited from a significant increase in confidence. This is much more difficult to measure but through being Europe's Capital of Culture in 2008 Liverpool showed that it was a dynamic, forward-looking city that was optimistic about the challenges of the future.

Whilst the city has seen real change of late, there is still an enormous amount of work left to do. The decade of growth that has taken pace has simply restored job rates to the levels seen in the 1980s. Some of the challenges ahead include tackling: continuing high levels of worklessness; poor social housing; low skill levels; and significant social and economic deprivation. However, the city today is in a much stronger position to tackle and overcome some of the deep-rooted problems that had developed over many years.

The global financial crisis and recession have had an impact on cities both in the UK and internationally. Here in Liverpool we have felt the repercussions of the crisis with rising unemployment, developments put on hold and businesses closing their doors. The key question for this report is: What impact is the recession having on Liverpool and how deep are the

economic foundations that have been built during the past decade?

In this chapter we provide a short summary of the progress made in the city over the past fifteen years and identify the key economic sectors that have grown. We also look at the structural changes taking place in the city today compared with the last time the UK entered recession back in 1992. This backdrop will form the basis for later discussions regarding the resilience of the city compared with the rest of the UK.

### Where we were

In the 1980s, when people wanted an example of urban decay Liverpool was pretty much always on the list of possible candidates. The city had witnessed a steady and significant decrease in its population – which had fallen by a third between the 1960s and 1980s. At the same time, the city lost 43% of its jobs (Liverpool First). Both of these interrelated changes had a devastating impact on communities across Liverpool and the legacy of this can still be seen today.

The level of unemployment in the city reached a peak in 1986 when over 25% of people were unemployed – the unemployment rate was still over 15% in 1991. This figure masks some of the real disparities within the city. For instance, Liverpool Riverside in 1991 had an unemployment rate of 27.5% with male unemployment at 37.7% – this was the highest unemployment rate of any parliamentary constituency in the UK. In terms of the physical appearance of the city, between 15-20 % of land in the city was derelict or not in use with many historic buildings suffering decay.

We all know how the city managed to get into this situation: a decline in manufacturing jobs throughout the 1970s and 80s, the loss of jobs in

the port and shipping industry, a service sector impacted by the population decline, poor educational standards with low skill levels, and an inability to attract any real significant inward investment. In many ways, the consequences of this economic decline can still be seen today in the levels of generational worklessness and the pockets of social and economic deprivation focused in some communities, particularly those in North Liverpool.

This is not to say that nothing positive took place in Liverpool during this time. For instance, there were some notable successes across Merseyside in terms of attracting new jobs in the car-manufacturing industry. However, this was not enough to make up for the loss of jobs across the other sectors of the economy. Research undertaken between 1961-1985 showed that all sectors of the economy in Liverpool, with the exception of car manufacturing, were declining or growing more slowly than the UK average. This obviously had a real impact on the fortunes of the city and the number of jobs available to local people.

It was clear in the mid-1990s that significant and concerted action would have to take place in Liverpool to stop and reverse this decline. The steps taken over the intervening years provide an illustration of how partnership working, large-scale government investment and a clear strategy with political and financial backing can create a dynamic policy agenda capable of turning around the fortunes of a large city. It is precisely this kind of partnership working which key organisations, from public to private, small and large, will need to establish once again as the city seeks to avoid the economic and social decline associated with the past.

## Where we are today

Liverpool has undergone an urban renaissance since the early 1990s, with new public infrastructure and major economic restructuring. The legacy of economic decline was an obsolete and degraded physical environment which today has been transformed through the regeneration of the docks, city centre and other historic areas. The fact that Liverpool's waterfront was awarded World Heritage status by UNESCO in 2004 reflects the importance of Liverpool's physical environment.

These changes have made a real impact on the levels of economic activity within the city. Employment has increased by 12% since 1998 and before the current downturn over 24,000 new jobs had been created. Crucially, many of these new jobs originated in the knowledge economy, which has grown by a fifth since 1998 with 62,000 people employed in knowledge economy sectors. As Liverpool First has pointed out, from 1998 to 2007 the number of workplaces grew by 1,400 (11.1%) – with Sheffield being the only core city to have a stronger performance in this time.

One sector of the economy which has seen real growth is the retail sector, which is a direct result of the redevelopment of the city centre. Prior to the credit crunch there had also been some significant recent gains in the financial and insurance sectors. However, some of these are being reversed, as demonstrated by the recent announcement by Barclays that 188 call centre jobs are being lost in the city. Liverpool's status as European Capital of Culture in 2008 helped improve the image of the city and has also brought new jobs in the tourism-related sectors with new hotels and tourist numbers increasing.

As noted earlier, Liverpool was starting from a very low economic base following decades of decline. The economic improvements that have taken place have meant that Liverpool has

out-performed the rest of North West and the UK economies. Therefore, in the past decade Liverpool has begun the process of catching up with some of its main competitors though it still has some way to go.

Despite the improvements we have seen in the city there remain a number of structural weaknesses that need to be addressed. These include a poor skills base, high levels of worklessness and the need to encourage and promote greater entrepreneurial activity within the city.

## Skills

One of the real structural problems affecting the future growth of the economy is the low level of skills in Liverpool. This has an impact in attracting business and enabling people to progress within work. As the Liverpool City Region report pointed out, across all skill levels the City Region is lagging 4-6% behind the UK average. For instance, Nomis data shows that 19.5% of people in Liverpool have no qualifications compared with a regional figure of 14.7% and the national average of 12.4%.

Despite significant investment there remain some basic skills' needs with regards to literacy and numeracy. The work of Reed in Partnership in communities across Liverpool has shown that many long-term unemployed people lack the basic skills needed to get a job. Addressing the issue of basic skills is key to bringing more people into the labour market and improving Liverpool's growth prospects.

Liverpool and the City Region also face a real challenge in terms of increasing the number of people with higher level skills. For instance, around 120,000 people in Liverpool currently don't have a Level 2 qualification representing

40% of the working-age population. Many of the organisations and agencies working within Liverpool and the wider City Region are focused on tackling this skills deficit. As the *Leitch Review of Skills* stated, 95% of jobs by 2020 will require an NVQ Level 2 or equivalent and two thirds of jobs will require an NVQ Level 3.

The issue of basic and higher-level skills also has a clear impact the level of productivity within the local economy. The relative growth that Liverpool has seen is still not sufficient to have moved into the league table of high productivity cities or to close the gap with comparative cities.

## Entrepreneurial activity

Whilst the city has seen significant progress in terms of job creation, it still lags behind competitors in terms of entrepreneurial activity and new business start-ups. For instance, the Liverpool City Region report said that it would take thirty years at current levels for the City Region to reach the same level as UK business VAT registrations, whilst the Liverpool Economic Briefing cites the fact that Liverpool continues to have the lowest business density of all the core cities.

## Entrenched worklessness

In Liverpool there are still real pockets of high deprivation and generational worklessness, with rates in some of the worst-performing neighbourhoods at over 35%. This entrenched type of unemployment takes time to overcome. It is not just about creating new jobs; it is also about motivating people and moving them away from being dependent on benefits.

Within Liverpool, areas such as Kirkdale and Kensington have unemployment rates

considerably above the city average. These unemployment hotspots should be the main focus for policy-makers if we are to see levels of unemployment fall when the recovery begins.

Reed in Partnership has worked on targeted local projects in Liverpool through the Northwest Development Agency's Northern Way Incapacity Benefit contract in Prince's Park and the area-based Action Teams. However, our experience has shown us that areas with persistent and high levels of unemployment and generational worklessness require concerted action to tackle the underlying causes of economic activity. To be effective there is a need for a multi-agency approach to both raise skills and provide access to training and assistance with job search, and also to provide real investment in improving the housing stock and local neighbourhood. The latter focus is crucial in terms of helping create sustainable and more prosperous local communities.

The three structural weaknesses cited above reflect the scale of the challenge still faced by Liverpool despite the significant public and private investment that has taken place. When

the economy was still growing, there was a confidence that Liverpool would be able to respond and overcome these challenges due to the focus and energy of the public, private and voluntary sector organisations working together to take the strategic objectives for the city forwards.

With the onset of the recession, the economic environment has changed as unemployment increased and some of the new economic sectors that have grown in recent years struggle with the consequences of the downturn. Given the greater challenges facing the city today, it is imperative that we continue to focus on tackling the short-term problems whilst also enabling the city to respond to some of the entrenched and difficult issues that will take time and concerted action to resolve.

The next chapter looks at the impact that the recession is having on the city in terms of unemployment and other social and economic factors. The later chapters bring together primary research amongst local businesses in Liverpool and our Personal Advisers.



## Resilience and future steps

The previous chapter looked at the changes that have taken place in Liverpool. This chapter looks at the impact that the recession is having on Liverpool at the current time and at predictions of how seriously Liverpool will be affected by the downturn.

Even before the full impact of the global financial crisis was being felt across the UK there were some doubts about the capacity of Liverpool and Merseyside to deliver real social and economic improvements. The *Cities Unlimited* report published by Policy Exchange last summer received considerable media attention and was attacked by many people in the city and across the North of England.

The report argued that it was 'very hard to see conditions in Liverpool and particularly Bradford and Sunderland improving relative to their local rivals, or the national average, in any conceivable time frame.' This conclusion was based on the fact that Liverpool had not seen the kind of improvement that the report claimed should have been delivered based on the investment made in the city during a period of national economic growth.

This negative assessment took no real account of the changes that had taken place in the city and of the level of ambition to accelerate the pace of change. The clear fact is that Liverpool's progress over the past decade has put the city and the wider Merseyside area in a good position to deliver future improvements for residents in terms of jobs, better public services and improved housing.

### The national picture

It is important to realise that it is difficult to evaluate the immediate impact of the recession. This is because it can take some time for trends to develop and then be properly considered. However, there are some indicators such as the number of people out of work that provide immediate indicators about the number of people being affected. At the start of 2009, when the economic downturn really began to have a significant impact on the UK economy, many people predicted that Liverpool would be one of the cities that would suffer and see a lot of the progress to date reversed.

The impact of the credit crunch has led to a global recession with most developed countries experiencing rapid increased in unemployment and a prolonged period of negative economic growth.

The UK economy shrank by 2.4% in the first quarter of 2009 which was the sharpest decline since the Second World War. This was on top of contractions of 0.6% and 1.5% in the third and fourth quarters of 2008. It is expected by economist forecasters that figures for the second quarter will show a smaller contraction in growth levels. However, there is no real certainty about when the UK economy will start to grow again.

The Treasury's average of economic predictions claimed that the UK economy would contract by 3.8% in 2009, the Organisation for Economic Co-operation and Development (OECD) predicted 3.7% with the IMF at 4.1%. Based on figures from May 2009, there was also disagreement on levels of GDP growth for 2010 with the Treasury's independent forecasts predicting growth of 0.4%, the OECD a contraction of 0.2% and the IMF predicting a worse contraction at 0.4%. However, the IMF recently revised its figures for 2010 with growth levels changing from -0.4% to +0.2%.

Whatever the actual figures, it is unlikely that the UK will return to the levels of growth that are required to create significant numbers of new jobs until 2011.

The recession has already led to a significant increase in the number of people out of work, with unemployment reaching its highest level since 1996. Adding to the gloom is the fact that vacancies have reached a record low as companies put recruitment plans on hold.

In August, the Office for National Statistics (ONS) reported that unemployment rose by 220,000 to almost 2.43 million in the three months to June 2009. The claimant count had also risen to 1.58 million, up 24,900 on the previous month and 709,000 on the previous year.

The other figures in the ONS Survey presented a very negative trend for unemployment in the UK with the number of people in work falling by 271,000 to 28.93 million in the three months to June – one of the biggest quarterly slumps since comparable records began in 1971. In the three months to June 2009, 277,000 people had been made redundant. This was a decrease from the 300,000 people who were made redundant in the three months leading up to March 2009 – which was the highest number since records began in 1995.

All of the academic research that has been conducted shows that young people are suffering particularly badly in the recession. The unemployment rate for 18-24-year-olds today stands at 16.6% nationally with further increases expected as school and university graduates join the numbers.

Many economists are predicting that unemployment will continue to rise for at least the next 6-9 months with it peaking at 3 million by early 2010. This obviously has very worrying consequences for communities across the UK.

For instance, Professor Paul Gregg of Bristol University has pointed out that it takes nearly five years for unemployment to return to its pre-recession levels, based on the experiences of the 1980s and 1990s.

There are some signs that economic confidence is returning, with recent consumer and business surveys pointing to increased optimism about the future. However, there still remain structural problems in terms of lending, and further increases in unemployment will impact on consumer spending.

## The impact of recessions

The Local Government Association (LGA) has undertaken some interesting work looking at the impact of the previous recessions in the 1980s and 1990s on levels of unemployment across England. Many economists argue that the current rate of unemployment is strongly influenced by the preceding level of unemployment. The idea of unemployment rates being subject to hysteresis effects is supported by the work of the LGA which shows the persistent nature of worklessness after recessions.

The key findings from the LGA report were that:

- Worklessness has been higher in every year since 1979 than it was in 1979 and that successive recessions have added to the number of people excluded permanently from the labour market.
- England as a whole, and particularly the northern half of England, had not recovered to its pre-1980 levels of worklessness before the 1990 recession began.
- After the 1980 recession, residual worklessness (the difference between unemployment going into the recession and

coming out of it) was highest around Liverpool and other northern cities.

- The time it takes different areas to fully recover from the recession varies and that it can take as much as ten years.

Interestingly, the report suggested that the areas most at risk from job losses in the current recession were those currently not experiencing high levels of worklessness, which on one level could be seen as a positive prediction about the resilience of cities such as Liverpool. However, other reports have argued that cities such as Liverpool, which were already experiencing higher than average levels of unemployment, would be hard hit by the recession.

The Centre for Cities in January 2009 looked at the social, economic and environmental strengths and weaknesses of 64 cities in the UK. It placed Liverpool on 'red alert', naming it as one of the three cities along with Belfast and Hull that would be hardest hit by the impact of the downturn. Dermot Finch, the Director of the Centre for Cities said:

'The capital of culture and the associated investment did provide a boost to Liverpool and the £1bn investment in retail means Liverpool is now the fifth busiest shopping destination in the country.

'What is more, its secondary schools are now producing GCSE results which are just above the national average. But none of that can insulate Liverpool from the effects of the recession in the next couple of years. It has the lowest rate of employment in the whole country and the highest number of benefit claimants. It is in for a harder ride than it might think.'

Whilst the report pointed to some of the significant improvements seen in Liverpool such as the creation of 70,000 new jobs and

the city being one of the highest improvers in terms of bringing down the level of deprivation, it predicted Liverpool would be hit hard by the recession. For instance, the report indicated that Liverpool faced a higher increase in JSA claims that it had seen during the recession of the early 1990s and that Liverpool was one of the worst hit cities in terms of the early stages of the current recession. It also predicted that those cities with a low-skilled workforce would face larger job losses and take longer to recover.

This conclusion was backed up by *Recession and Recovery: How UK Cities can respond and drive recovery*, which was jointly published by The Work Foundation and the OECD. The report found that the recession has reflected existing patterns of economic decline, with the greatest job losses in ex-industrial areas such as the West Midlands. It argued that one of the key reasons for this pattern was that cities with highly skilled populations were experiencing the smallest increases in unemployment, and those cities with the lowest skill levels were experiencing the largest increases due to the type of jobs being lost in the economy.

The Work Foundation published *The Geography of Unemployment* in April 2009, which looked at which areas of the country were being hardest hit by the recession. The report found that the local authority areas experiencing the biggest jumps in the number of people claiming benefits were located in the core cities of the North, the West Midlands and Scotland, with Liverpool being the ninth most-affected area in the UK. However, the analysis of the percentage change in claimant count presented a different geography. It found that the highest percentage increase had been concentrated in the South East and East Midlands, with authorities such as Swindon and Redditch featuring in the top ten.

So with the national predictions, along with some of the reports looking at the impact of the

recession on local economies across the UK, where does this leave us in terms of evaluating the impact that the recession will have on Liverpool? The next section of the report looks at the early indicators and how resilient the city is proving at the current time.

## The impact on Liverpool

There had been some initial optimism that Liverpool would be partially insulated against the economic downturn. For instance the *Liverpool Daily Post* reported in October 2008 that in the previous year the city's claimant count increased by 12.7%, the North West's by 16.4% and the UK by 14.1%. Peter Stoney, Director of the Liverpool Research Group in Macroeconomics at the time said: 'There are special circumstances in respect of Liverpool and Merseyside as there have been significant investments. The docks are doing well, so is the retail sector, and Culture year is doing well.'

However, worries began to grow in the city in late 2008 as the number of people claiming JSA increased started increasing at a considerable rate. For instance, monthly increases in the number of JSA claimants went up by 742 between October 2008 and November 2008, 858 between November and December, 1,040 between December and January, and 1,219 between January and February. This represented an increase of 1.3% in just five months.

Some of the research mentioned in the previous section was undertaken at a time when the rapid increase in Liverpool's rate of unemployment was in place. However, since February 2009 the rate of unemployment has increased at a lower rate rising by 597 between February and March, 404 between March and April, 163 between April and May, 79 between May and June and 238 between June and July. If this trend continues it would

indicate that Liverpool lost a number of jobs at the start of the recession but that after this first tranche of job losses the labour market is proving stronger than was first thought.

There is also evidence that other parts of the country are facing a more difficult time than Liverpool. For instance, Liverpool had the second highest claimant rate in the country at the start of the year but has now been overtaken by Blaenau Gwent, Hull, Wolverhampton and Birmingham.

One of the positive indicators for Liverpool is that the reduction in the number of vacancies has been broadly consistent with the decline seen in the North West and the rest of the UK.

Interestingly, between March and April 2009 the number of vacancies in Liverpool marginally increased by 100 compared with falls of around 400-500 in the preceding months. At the same time, nationally the number of vacancies fell by nearly 20,000. Whilst the number of vacancies fell by 383 between April and May, the period May to June saw an increase of 129.

## Reaching some early conclusions

Back in July 1992, at the peak of the last recession, there were 40,000 people in Liverpool on unemployment benefit representing 14.1% of working-age people compared with a national average of 7.8%. Today, the latest figures for July 2009 show that there are 21,536 unemployed people (7.6%) compared with a national average of 4.1%.

Whilst the national predictions are that unemployment will rise to over 3 million by the end of 2009, it is hard to imagine that Liverpool will return to the days of having 40,000 people on the dole. At the very least this is a sign that the local economy and hopefully the UK as a whole is

not going to experience the depth of recession felt in the early 1990s.

This is in large part due to the investment and improvements that have taken place in Liverpool in recent years which have strengthened the economy. For instance the City of Culture and the development of Liverpool One have provided a real boost to the economy. The *Liverpool Daily Post* reported on the 30th June 2009 that:

‘The [economic] situation is better than it could be, according to Professor Peter Stoney, business expert at the University of Liverpool’s management school, who believes the city’s Capital of Culture status has softened the blow of the nationwide recession. He said: “It’s been good timing. It’s mitigated some of the bad effects. You’ve got to view the Culture effect as being positive in recessionary times – it’s an oasis in the desert of recession”.’

### Developing a new economy

It is also not just a question of new low-skilled jobs having been brought into the economy. As mentioned earlier, a large number of new jobs have been created in the knowledge sector of the economy. This has meant that the city has benefited from employers who are investing in training and improving the skill base of their workforce.

The emergence of Liverpool’s new economy, which is still at an early stage, provides the city with a real base to develop when the UK economy starts recovering. A recent report by HSBC: *The Future of Business: The changing face of Business in 21st Century Britain* reported that British industry is headed for the biggest shakeup since the Industrial Revolution with the UK set to be a pioneer in new industries such as video-games, superfoods and robotics. The report

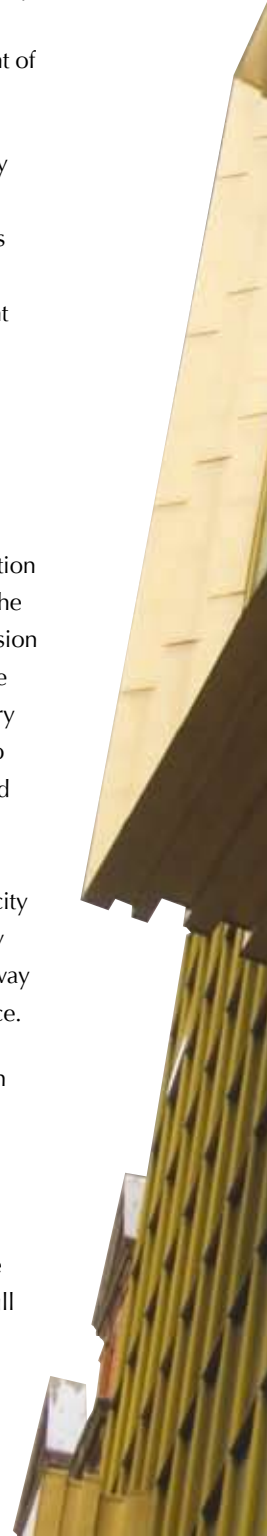
argued that Brighton, Leeds, Liverpool, London and Newcastle would emerge as ‘supercities’ with local economies based on knowledge industries.

It is hard to imagine that in the early 1990s many people would have been focusing on the capacity of Liverpool to be regarded as one of the cities with the potential to lead with the development of new types of economic activity.

Whilst it is of course too early to say how many people in Liverpool will lose their jobs as a result of the recession or how many companies will close down, there are some encouraging signs that the local economy is proving resilient at the current time. This is reflected not just in the statistical data presented above but in the views of local businesses and our own front-line professionals working with the long-term unemployed as discussed in the next chapter.

The level of unemployment and social deprivation within Liverpool was still considerably above the national average before the effects of the recession started to be felt in the city. The city is of course starting from a low base, and when the recovery starts there will be a great deal of work to do to ensure that Liverpool can grow at a faster speed than its competitor cities and the UK average. However, the early indications are that the foundations that have been established in the city over the past fifteen years are proving relatively strong and that the recession will not sweep away the positive improvements that have taken place.

The final chapter of the report sets out the main policy recommendations that can be taken forward to both protect the existing businesses within the city at the current time and help the unemployed gain the skills they need to find employment. We also focus on the importance of ensuring that we get the city ready to take full advantage of the recovery when it starts.





## Views from the city

As part of the research project we undertook a short survey of nearly fifty local businesses. This was seen as important in providing some employer context in this report. The survey was carried out by Reed in Partnership's Employer Team, with the majority of interviews being carried out over the phone. This is clearly a small sample of businesses in the city and the findings are by no means conclusive. However, the research hopefully provides another layer to the available evidence base about how badly businesses are being affected in the city.

A wide range of businesses took part in the survey, both in terms of sectors and the size of the company. The survey included transport, cleaning, retail and security companies along with a hotel and facility management company. The majority of businesses had between ten and twenty employees but a number of companies who took part in the survey had over 100 employees.

Through our employment programmes in the city we provide support to customers through a dedicated Personal Adviser. We also have a team of Recruitment Managers who work with large and small employers in order to source suitable vacancies for our customers. Over the past nine years we have helped over 22,000 people make the transition from benefits into work across Liverpool and Sefton. This has given us a real understanding of both the needs of jobseekers and a perspective on the requirements of local employers.

As part of this report, we felt it was important to seek the views of Personal Advisers, as these front-line professionals spend every day supporting and challenging the long-term

unemployed. In Liverpool we work with people who have been out of work for at least eighteen months through our Employment Zone contract. In addition we have a voluntary programme for single parents aimed at helping lone parents make the transition into employment. The opinions of Personal Advisers were gathered through a quantitative survey and follow-up interviews and provide a second reference point regarding the impact that the recession is having on Liverpool.

### Impact on Liverpool's labour market

All of our Personal Advisers said that they had noticed a reduction in vacancies in the labour market over the past year. This reflects national data which shows that the number of available vacancies advertised with Jobcentre Plus has fallen from 3,139 in March 2008 to 1,577 in March 2009 – a reduction of 50%. Despite the significant decrease, this was still better than the North West average which saw a fall of 53% over the same period.

We also asked our Advisers about whether they believed they had seen any changes in the labour market over the past four weeks. This was an attempt to see whether there was the perception that the recession was bottoming out or if there was the belief that things were still getting worse. This provided a mixed response with 47% of respondents saying there had been no change, 41% saying it had got a lot or slightly worse and just 12% saying it had got slightly better.

Many Advisers in response to the question about the impact that the recession is having on the local labour market mentioned the move from full-time to part-time vacancies, the much greater competition for available vacancies and the complete absence of jobs in particular sectors of the economy. Some of the comments included:

'The jobs market has shrunk in all sectors. Private firms are lacking in confidence and thus are making cutbacks and looking to part-time employment rather than full-time.'

'We are having great difficulty in finding suitable vacancies, we are having to call on average eighty companies to pick up one vacancy. The motivation of customers is decreasing as the labour market is much slower and it is taking longer to find employment opportunities that customers are looking for.'

'There has been a massive impact, I have worked in training and recruitment for a total of twelve years, ten of which have been with Reed in Partnership, and I have never known it to be anywhere near as bad as this. You are lucky to speak to an employer who has not had redundancies never mind recruiting new staff.'

'For jobs that are available candidates have to be really flexible otherwise companies won't look at them as they have plenty of other suitable candidates. I contacted a company the other day which had around twenty job vacancies and they had received 800 CVs already. There are jobs available in Liverpool but competition is fierce.'

'The unemployment rate has gone up, flooding the labour market with available, flexible candidates. This has had a negative effect on our single parent customers as they are unable to compete in terms of flexibility.'

We also asked Personal Advisers about which sectors of the economy they believed had been hit hardest by the economic downturn. The vast majority of respondents said that retail was suffering particularly badly as a result of both small and large retail outlets closing or reducing the number of staff as consumer spending falls. Other sectors with the most frequent mentions included administration, followed by construction and manufacturing.

A number of Personal Advisers said that they had noticed a decline in tourist and hospitality vacancies as a result of the Liverpool City of Culture coming to an end. A number of Advisers felt that more needed to be done to attract more tourists to the city and help to boost this sector of the economy.

## Impact of the recession

Our business survey also asked whether over the past year their workforces had increased, decreased or stayed the same. Based on the results 20% of businesses said their workforce had increased, 55% said it had stayed the same and 25% said they had decreased their workforce over the past year. The employers who had reduced their workforces were those operating in the manufacturing, retail and cleaning sectors. The businesses who were still recruiting covered two sectors including security and training companies.

In order to gauge the future intentions of business in the city we asked about their plans over the next three months. From the response to this question, 20% of employers said they were planning to increase their workforce, 50% said it would stay the same and 30% said they expected to reduce their workforce. Again the employers expecting to decrease their workforce were retail, cleaning and hospitality companies. Interestingly, the manufacturing companies in the survey were slightly more positive about the future. This was borne out by the latest Merseyside Chamber of Commerce survey which suggests that many manufacturing and service sector businesses are bullish about maintaining current levels of employment.

We undertook a cross-check between employers to see whether the same businesses that had lost staff were still planning on further reductions in the next three months. Based on this analysis, half

of the employers who are planning on reducing staff in the next three months have already been through a round of redundancies with the other half planning to make staff cutbacks for the first time.

One of the interesting and potentially worrying aspects from the analysis of those employers who have either lowered their workforce or had plans to do so was the fact that the vast majority of these businesses were larger employers with over fifty members of staff. Many of the smaller employers with less than fifty employees had not yet reduced their workforce levels as a result of the recession.

When asked for information on how their business had been affected by the recession, many people spoke about the lack of consumer and business confidence impacting on spending behaviour. Other companies spoke about the problems of getting suitable credit from the banks. Some of the comments included:

‘Clients have cut back on spend due to fall off in turnover; this has impacted on our ability to sell our services and maintain profit margins. Clients are getting more people to quote so they know that they have the best possible price.’

‘Some suppliers are getting firmer on payments. Some customers are taking longer to settle. Definitely an element of customers trading down in terms of what they buy.’

‘We have been extremely lucky as the euro exchange/oil prices have meant that distributors have decided to buy from us in the UK instead of importing.’

It is clear from the comments that many businesses are finding themselves operating in very turbulent economic conditions that make strategic planning for the future very difficult.

## Impact on jobseekers

As seen above, a number of employers have reduced their workforce and put future recruitment plans on hold. This has impacted on unemployment and the level of vacancies in the local economy. One of the questions we asked in the survey and follow-up interviews was about the impact of the recession on the behaviour of jobseekers.

There was a near unanimous response from the Personal Advisers working across our Employment Zone and Single Parent programmes.

Unsurprisingly, the vast majority of Advisers reported that the downturn was having a negative effect on the behaviour of jobseekers, particularly around their confidence and motivation to find a job. Some of the comments included:

‘Customers are now feeling that they have little or no hope of finding work due to the recession. It is my opinion that they are reading and watching media reports and feeling the effects. If recently employed people are losing jobs, what chance had long-term unemployed or people with barriers have?’

‘I feel that a lot of the customers have become demotivated due to the constant reminder of the lack of jobs both through the media and through word of mouth.’



'It has been really disheartening, it has affected customers in various ways. In some it has made them re-evaluate the job goals and hours in order to just gain employment, other customers I feel are giving up.'

'Those who are genuinely looking for work feel disheartened. Those who are playing the system use the recession as an excuse.'

One of the most important aspects of our work, particularly with customers who have been out of work for some time, is in building the confidence of the individual so that they can take greater responsibility for their job-searching activity and become empowered to take control. Many of the Personal Advisers in Liverpool, supported by anecdotal evidence from our other programmes across the UK, felt that customers are very aware of the recession and the increased competition for jobs. These factors have resulted in lowering levels of morale for people who genuinely want to work whilst providing an excuse for those individuals who have become dependent on benefits and have little commitment to finding work.

A number of points were raised by our Advisers regarding the impact the recession is having on the long-term unemployed. It was felt that some jobseekers believed they were safer being on benefits than entering low-paid work with little job security. One of the common problems we deal with is that customers are fearful of moving from benefits in case they end up losing their job and then face difficulty getting their benefit claim sorted out quickly, therefore leading them into debt problems.

With so much media attention focused on unemployment, some customers are taking the approach of wanting to sit out the recession whilst continuing to receive benefits. Whilst the Personal Adviser can challenge behaviour and help identify more realistic job goals, and can recommend benefit sanctions, there is still a reliance on the

individual wanting to find and stay in work.

The Advisers working with single parents also noted that it was more difficult getting people to join the programme because they believed there were no jobs in the local labour market. Despite the recession and the greater competition, suitable vacancies still exist, but it takes longer to talk through the opportunities that are available and to convince people that they stand a chance of getting a suitable job.

We also asked a related question about whether Advisers were seeing different types of customers enter the programme. Some Personal Advisers working on both the Employment Zone and Single Parent programme commented on the fact that they are now assisting more people with recent work history and higher level qualifications. Comments included:

'I have noticed that we are now helping people with good work history but are unable to get them the jobs, wage and location of the work they desire.'

'More customers have the better work history, but not always the qualifications that are needed.'

'A lot more educated and experienced customers looking for higher-entry jobs that do not exist or are very hard to come by.'

Other Advisers commented on the fact that whilst some of the people they are helping have a good work history, they lack confidence about their ability to find work as a result of being made redundant. It was also noted that some people, realising they cannot find the type of job they want, are using the opportunity to return to college and get new skills and qualifications.

Whilst this is something clearly to be encouraged, there was a feeling amongst some Advisers that more work needed to be undertaken to ensure that college courses were relevant to the needs of



the local labour market. This was seen as crucial if the additional skills and qualifications were to genuinely help the individual move into employment at a later point in time.

### The resilience of Liverpool's economy

We asked both local businesses and Advisers for their opinions in regards to the impact the recession was having in Liverpool compared with the rest of the UK. There were some positive results from this question with 40% of businesses saying Liverpool was holding up pretty well compared to the rest of the UK, 50% saying they thought there would be no difference in impact between Liverpool and the rest of the UK and just 10% of businesses believing that Liverpool was being harder hit than the rest of the UK.

The question produced a mixed response amongst our Personal Advisers with just 18% of people saying that 'Liverpool is holding up pretty well compared with the rest of the UK, 34% saying that 'Liverpool will be hit harder than the rest of the UK', 47% believing that 'there will be no difference between Liverpool and the rest of the UK'.

Whilst the response to this question is based on the views of individuals working with the long-term unemployed, it can be seen as a positive that the majority of people felt that either Liverpool would do better or fare no worse than the UK in the recession. For local businesses, these findings can also be seen as positive in the sense that there still seems to be a high level of optimism regarding the local economy in Liverpool and its ability to outperform the rest of the UK. Given the negative differential impact of previous downturns on Liverpool this could be seen as an indication that greater confidence about the capacity of the city to respond to the downturn exists today.

### Providing additional support for business

We also asked employers to give us their views on what additional measures could be taken by the government, local authorities and other agencies to help businesses in Liverpool at the current time. There were a range of responses to this question, with a number of comments listed below:

'Make funds available without all the strings that make government backed finance impossible to obtain for most business. We wanted grant aid to expand our services. The figures were too small for one facility, too large for another, we needed to take on additional trainees for another.'

'Some of the larger contracts should be split into smaller contracts so that local businesses can win them. What is happening in our sector is that local people are being employed by large outside-of-the-area contractors and local businesses are being forced to go after smaller jobs at a reduced profit margin. Small businesses will ultimately fail.'

'Local businesses are the backbone to any community, particularly manufacturing. Two things would help: 1. Force the banks to lend at sensible interest rates. 2. Reduce business rates, not increase them.'

'Take more of a central interest in the growth and development of small business in Liverpool.'

'Relaxation of statutory bodies in the enforcement of VAT collections and repayments offering more flexible repayment plans, particularly for SMEs. More support through expert HR personnel for SMEs dealing with redundancy/personnel issues, including advice on access to funding for training and retraining of current workforce.'

## Conclusion

The views of local businesses and our Personal Advisers largely confirm the conclusions reached in chapter two regarding the impact that the recession is having on Liverpool. The findings from both the surveys show that the recession is hitting sectors such as retail and manufacturing particularly badly and that the decrease in vacancies is driving up competition for jobs and having a negative impact on the confidence of people to find suitable work.

With increasing levels of unemployment in Liverpool, it is inevitable that there will be an increase in the number of long-term unemployed. One of the real issues to emerge in this chapter amongst our Personal Advisers is the importance of focusing on the long-term unemployed even during a period of economic downturn.

The lesson for policy-makers both in Liverpool and nationally is the need for concerted action and continued support for the long-term unemployed. We need to ensure that the long-term unemployed continue to receive the support they need – whether in skills provision, confidence building or retraining, so that when the economy does improve, this cohort of people are in a good position from which to move into work.

For business it is clear that there is a need for more concerted action to help them move forward at the current time and prepare for the eventual improvement in economic conditions. The final chapter of this report looks at the further policy interventions that could be made by national, regional and local government to help businesses survive and emerge from the recession in a position to move forwards.



# Summary: Recommendations

This report confirms that Liverpool has made real progress over the last fifteen years. The city has reduced unemployment, created large numbers of new jobs and new businesses have flourished. But in the face of the deepest global recession seen for generations Liverpool is under pressure, as respondents in this report testify.

When Liverpool has previously faced economic change on a similar scale, it has suffered damaging and long-lasting economic and social decay. Although Liverpool is now a changed city from the one that witnessed the urban decline of the 1980s, the future challenge for those working in the public, private and voluntary sectors is two-fold:

First, it is to ensure that this experience is not repeated in the face of real and telling economic pressure today.

Secondly, it is to build the foundations to ensure that Liverpool becomes a city with an economy consistently delivering growth for the benefit of all through the production of high, value-added products and services.

To meet both of these objectives, Reed in Partnership propose the following recommendations:

**LIVERPOOL PARTNERSHIP.** At the heart of Liverpool's resurgence from the decline witnessed in the 1980s was partnership: a partnership of purpose, a partnership approach to working and a partnership with a clear strategy. Given the scale of the economic downturn, it is imperative that:

1. The public, private and voluntary sectors across the city are brought together again with an even greater sense of urgency, commitment and purpose in order to avoid a repeat of previous decline.

**AVOIDING WORKLESSNESS.** Evidence shows that recessions have a dramatic impact on levels

of worklessness and that Liverpool could be particularly vulnerable again. We believe that the following steps need to be taken:

2. There has to be a real policy balance between helping the newly unemployed find work quickly whilst also providing the intensive support required to help the long-term unemployed move off benefits and into employment quickly.
3. Looking ahead, we need to strengthen the focus on communities with high levels of unemployment and worklessness so that people are ready to take advantage of new jobs when the economy improves.

**INVESTING IN SKILLS.** The work of Reed in Partnership in communities across Liverpool shows that despite considerable investment over the last decade, some basic skills needs remain (particularly in terms of literacy and numeracy), which mean that too many people lack the basic skills needed to get a job. Therefore:

4. It is imperative that in a tough fiscal environment, public agencies and private employers continue to focus on investing in the basic skills needs of Liverpool's population. Falling investment in basic skills needs would have a major impact on Liverpool's short- and medium-term growth prospects.
5. Local colleges, business leaders and skills representatives should meet to ensure that the training being supplied across the city matches the demands of employers as we move through the recession. The emphasis should be on flexible, adaptable and value-added skills provision

**INTEGRATION OF EMPLOYMENT AND SKILLS PROVISION:** The integration of employment and skills is crucial if we are to improve the number of people with Level 2 and above qualifications. This

is imperative if we are to attract new jobs to the city and help people build a career pathway. We would recommend that:

6. Investment in employment and skills provision at a local level is brought together. In addition there needs to be more local power to enable national skills policy to be aligned to the needs of Liverpool and the City Region.
7. A new programme of providing careers and skills advice to people in the city could be trialled as a way of helping people in work progress to better paid and skilled work.

**SUPPORT FOR BUSINESS.** Businesses across the City are understandably anxious about what the future holds. Many of them are looking to the public sector for support. This report finds that many businesses are concerned that current support available is not meeting their needs – it is either not available at all, has too many strings attached or is insufficiently rigid in its application. Therefore:

8. The Government Office for the North West should:

- a. publish information on the range of public support available across the City
- b. meet at the earliest opportunity with business leaders across Liverpool to discuss the effectiveness of this support.

**LABOUR MARKET FLEXIBILITY:** Many employers are already coming up with innovative ways to keep people working including more flexible working patterns, offering sabbaticals and reducing working hours but providing additional training and skills opportunities. Therefore:

9. More support needs to be provided so that businesses can explore alternatives to reducing the number of staff through redundancies.
10. We need to ensure we maintain a flexible labour market so that companies can recruit temporary and short-term staff.



## Research methodology

In compiling this report, we used a range of research tools in order to fully understand the issues and build our set of recommendations.

### Literature review

A review of current literature examining the impact of the recession on the UK and Liverpool was undertaken. This involved research from think tanks and institutes, national, regional and local DWP and Jobcentre Plus data, and the work of organisations in Liverpool such as Liverpool Vision and the Chamber of Commerce.

### Local business survey

Through our work in Liverpool we come into contact with a wide range of businesses across nearly every sector in the local economy. We have a dedicated Employer Services Team who source vacancies and help to ensure a good match with our customers. Our Employer Services team carried out a survey of businesses they were speaking to in Liverpool. In total nearly fifty businesses took part in the short survey.

### Survey of Personal Advisers

The Personal Advisers working on the Employment Zone and Single Parent programmes interact with a large number of unemployed customers and typically have a caseload of around thirty to fifty

customers at any one time. Therefore, they have real expertise in understanding the barriers faced by customers and the local labour market.

The Personal Advisers were invited to take part in the survey via email. We have over forty five Advisers in Liverpool and thirty five took part in the survey which was a mix of closed and open questions.

### Follow-up interviews with Personal Advisers

The survey was supplemented with ten interviews with Personal Advisers. The interviews were carried out in order to fully understand the issues raised in the survey. The Advisers were chosen randomly from those who had completed the survey.



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# About Keep Britain Working



**Keep  
Liverpool  
Working**

Keep Britain Working is a campaign aimed at preserving jobs and helping to create new ones. It was initiated in March 2009 by the Reed Group and since then has received supported from numerous businesses and individuals, including Prime Minister Gordon Brown, Theresa May MP, Shadow Secretary of State for Work and Pensions and Richard Lambert, Director-General of CBI. More details can be found on the campaign website, [www.keepbritainworking.com](http://www.keepbritainworking.com).

The site hosts an open forum where people can share and rate ideas of how to help support businesses through the tough economic climate. It also features case studies on how organisations, both past and present have survived, and a weekly opinion poll relating to a national employment issue or business action.

## Keep Liverpool Working

To build on the success of Keep Britain Working, we are developing a local campaign in the city to promote debate amongst employers and external stakeholders about what more can be done to help keep people in work and provide full support to those individuals who find themselves out of work.

*The Keep Britain Working campaign makes an important contribution to ensuring employers share the sorts of innovative approaches that will help people avoid unemployment and help businesses prepare for recovery.*

Rt Hon Gordon Brown MP, Prime Minister

*Keep Britain Working is a tremendous campaign that will bring help and support to employers from all sectors who are struggling through this recession.*

Rt Hon Theresa May MP, Shadow Secretary of State for Work and Pensions

*I am very pleased to support Keep Britain Working – pooling ideas to steer businesses, employees and thus the country through this recession.*

Rt Hon Nick Clegg MP, Leader of the Liberal Democrats

*Creativity, imagination and lateral thinking can all help UK employers to weather the current difficulties and keep more people in jobs. Keep Britain Working can only help this.*

Richard Lambert, Director-General, CBI

## **Reed in Partnership exists to change people's lives for the better.**

We have an unrivalled experience of working with employers drawing on nearly 50 years of the Reed family of businesses' recruitment experience. By understanding the needs of employers we create tailored recruitment and retention solutions that successfully move people into the labour market. We have worked with over 25,000 employers ranging from local businesses to large multi-national corporations.

As a people led business, we know that everyone's situation is different. That's why our programmes create individually tailored routes into employment. We break down barriers to work by giving people the skills, confidence and knowledge they need to find lasting employment; using the most creative and innovative methods in our sector.

Our approach consistently delivers excellent results. So far we've helped over 90,000 people move from welfare into employment and assisted many more people gain the skills they need to enter and progress within the labour market.

Above all, we're summed up in one word and that's partnership. In co-operation with Jobcentre Plus, specialist agencies and local partners we find lasting solutions that change lives and local communities.

The regeneration of Liverpool is one of the real urban success stories of the past decade. Over the past fifteen years, the physical regeneration of the city has been gathering pace, with new jobs being created and greater optimism about the future.

In this report we look at the impact that the recession is having on Liverpool, the resilience of the local economy and what further additional steps could be taken to help the city emerge from the recession without experiencing substantial increases in unemployment.

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